BRITISH COLUMBIA

BC STATS Infoline

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May 21, 1999

highlights

a weekly digest of recently released British Columbia statistics

Prices

- **British Columbia's consumer price index (CPI) increased 1.1% during the twelve month period ending in April.** This was only the third time in the last three years that the province's inflation rate has exceeded one percent. Higher transportation costs were a major factor contributing to the increase in the overall price level. The cost of transportation rose 3.3% in April, as gasoline prices increased (+6.5%) for the first time since October 1997. Consumers also paid more for public transportation (+8.9%), partly due to an 11.2% increase in the cost of intercity transportation. Food prices (+2.1%) also jumped in April.

  Despite the increase in the CPI, residents of the province saw prices rise less here than in most other parts of the country. The Canadian all-items CPI was up 1.7% from April 1998, and inflation rates in most other provinces were higher than in BC. PEI (+0.1%) and Newfoundland (+0.9%) were the only provinces with a lower inflation rate. Vancouver's inflation rate was 0.9%, while prices increased 1.0% in Victoria.

  Source: Statistics Canada

The Economy

- **British Columbia's exports continued to rebound in March, increasing to 10.6% above March 1998 levels.** The improvement was largely due to a turn-around in forest sector exports, which have been climbing since late last year. March (+11.7%) marked the seventh time in as many months that forest exports have risen. Exports of automotive products (+92.7%), machinery and equipment (+19.8%), and consumer goods (+4.2%) remained strong, continuing a stint of almost uninterrupted expansion that began earlier in the decade. They were the only commodities to escape the downturn that had BC exporters in its grip last year.

  Canadian exports rose 10.4% in March, led by a 20.6% increase in the value of exports from Ontario. Ontario's export boom has been driven by the auto industry, where exports were up 43.3%. Exports declined in six provinces, with Saskatchewan (-24.6%) being the hardest hit. Saskatchewan and Alberta (-5.1%) are feeling the pinch of a slowdown in the oil patch and falling exports of agricultural products.

  Source: Statistics Canada

- **During the first three months of the year, BC's exports increased 8.4%, compared to the same period last year.** Exports were up for the third straight quarter, suggesting that the province may be about to regain its position near the front of the pack. Alberta (-11.2%) and Saskatchewan (-20.9%), where exports have been in the doldrums ever since the oil patch began to cool down, have fallen behind the other provinces. Exports increased 9.4% at the national level, largely due to strong gains in Ontario (+17.4%), Nova Scotia (+16.1%) and Quebec (+10.7%). BC was the only other province with a significant increase in the value of its exports.

  Source: Statistics Canada

- **Shipments of goods manufactured in British Columbia rose 2.8% (seasonally adjusted), between February and March.** Durable goods shipments were up 4.5%, improving in eight of the nine manufacturing industries in this sector. Machinery and equipment (+17.4%) shipments increased at double-digit rates for the second straight month. The wood industry (+2.9%), which dominates the sector, posted a moderate gain, which was nonetheless more than strong enough to offset February's downturn (-2.3%). Producers of non-durable goods did not fare as

Report **Minimum wage earners in BC**

Did you know...

There were 2,392 beekeepers in the province last year. They had 44,813 colonies of bees, which produced 1.5 million kilograms of honey (that's just under a pound for every person in BC).

well. Shipments rose only 0.7% in this sector, partly due to a 1.2% decline in shipments by producers of paper and related products.

Canadian shipments increased 2.0%, and every province except Newfoundland (-2.6%) increased its shipments. Alberta (+6.6%) and PEI (+6.0%) led the way. *Source: Statistics Canada*

- **BC shipments were up 0.8% (seasonally adjusted) in the first quarter of 1999, marking the third consecutive quarter in which they have risen.** At the national level, shipments also increased 0.8%, down from 6.6% at the end of last year. The slower growth at the national level can be attributed to a moderation of the frenetic increase in shipments from Ontario seen at the end of last year. Shipments by manufacturers in that province had risen 10.2% in the fourth quarter of 1998. First quarter results were at a more sustainable level of 1.4%.

  Source: Statistics Canada

- **Sales by BC retailers increased 0.3% *(seasonally adjusted)* between February and March.** The growth in sales was relatively weak compared to other provinces, where sales rose at rates ranging from 0.7% in Alberta to 4.4% in Newfoundland. The national average was 1.1%. PEI (+0.0%) was the only province where retail sales did not improve in March. On a quarterly basis, sales in BC rose 0.8% between the fourth quarter of 1998 and the first quarter of this year.

  Source: Statistics Canada

- **During the first quarter of 1999, retail sales in the province slipped to 0.5% (*unadjusted*) below the level in the first quarter of 1998.** The decline in sales was due to weakness in the automotive sector, where sales fell 4.5%. Motor vehicle dealers have been struggling since the beginning of last year, and sales at service stations have slowed down in recent months.

  Other retailers in the province are doing much better. Food store sales (+0.1%) showed no significant change in the first quarter, but among other retailers, increases ranged from 2.0% at clothing stores to 4.4% at drug stores.

  Source: Statistics Canada

- **Wholesale sales in British Columbia rose 2.0% (seasonally adjusted) between February and March.** This was the first significant increase in sales since last September. Canadian sales were up a more moderate 0.8%.

  Despite the improvement in March, wholesale sales in British Columbia were weak in the first quarter, declining 1.8%. BC was the only province where wholesale sales fell between the last quarter of 1998 and the first quarter of this year. Nationally, sales were up 1.8%.

  Source: Statistics Canada

Bankruptcies

- **There were 647 consumer bankruptcies registered in British Columbia in February, 7.3% more than in the same month last year.** February's increase was significantly less than the 24.1% rise in January. Last year, a change in the law governing bankruptcies led some people to postpone bankruptcy proceedings until after May 1st, when they would be eligible to retain possession of a larger share of their assets. The year-over-year increase in January and February reflects this effect, as the number of bankruptcies registered early last year was lower than it might otherwise have been.

  Source: Industry Canada & BC STATS

- **In February, business bankruptcies in BC were up for the tenth time in as many months.** There were 96 business bankruptcies, compared to 77 in the same month last year. BC was the only province where the number of business bankruptcies was higher than in 1998. Nationally, the figure fell 14.2%, to 866.

  Source: Industry Canada

Divorces

- **The number of divorces in British Columbia declined in 1997.** There were 9,692 divorces granted, down from 10,898 in 1996. This was the first time since the beginning of the decade that the number of divorces has fallen below 10,000. Nationally, there were 67,408 divorces granted in 1997, down from 71,528 in the previous year. One in three marriages in BC ends in divorce.

  Source: Statistics Canada

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May 21, 1999

Infoline Report:

Minimum Wage Earners in BC

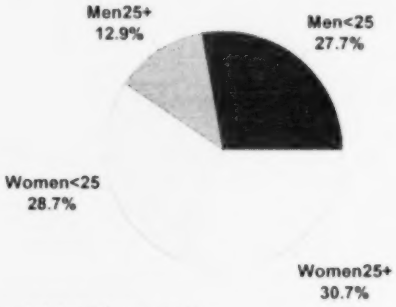
Contact: Anne Kittredge / (250) 387-0374

Originally published in January 1999 issue of *Earnings & Employment Trends*. Annual subscription: $60 + GST

In 1997, Statistics Canada's Labour Force Survey began collecting information on earnings of individual workers. The survey questions are designed to produce estimates of hourly wage rates including tips and commissions. These data now provide us with the ability to identify minimum wage earners[1]. Below we will look at the characteristics of minimum wage earners in BC.

One in twenty (5%) paid workers earn minimum wage.

Most Minimum Wage Earners* are Women (59%)

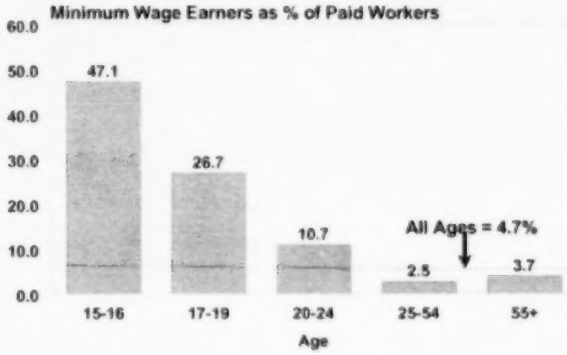


*Wages include tips & commissions

Overall, 3 of every 5 minimum wage earners are woman. Among young men and women, representation is about equal, but the large differences occur in the adult workforce. Seven of every 10 minimum wage earner over the age of 25 are female. In relative terms, this represents only 3.9 per cent of this group. However, women are more than twice as likely to be minimum wage earners as adult men (1.5%).

In the previous chart, the numbers show there is a high representation of the young (57%) despite the fact they represent only 16 per cent of the overall workforce. If minimum wage earners are expressed as a proportion of employees in that age group, it shows that the probability of being a minimum age earner decreases dramatically with age. This of course makes sense as experience commands higher wages -- most entry level jobs pay minimum wage, at least for the duration of the training period.

As Would Be Expected, the Young are the Most Likely to Earn Minimum Wage*



*Wage includes tips and commissions

The relatively high level of minimum wage earners among teenagers is not surprising -- in fact the surprise is that the rate is so low. Among 15 and 16 year olds, more than one half earn more than minimum wage. This could reflect that many young people get a job as soon as they turn 15. Most would probably start at minimum wage but by the time they are 16 would be the experienced members of the workforce and have received a raise.

The largest employers of minimum wage earners are the Trade and Accommodation & Food Service[2] industries. Together, these two sectors employ 3 of every 5 minimum wage earners in the province. In general, industries that have high turnover will be the sectors with relatively high numbers of minimum wage

[1] In the first three months of 1998, minimum wage in BC was $7.00 and was increased to $7.15 as of April 1, 1998.

[2] Minimum wage earners in the Restaurant sector would be those who did not earn any tips, primarily those working for the fast-food restaurants.

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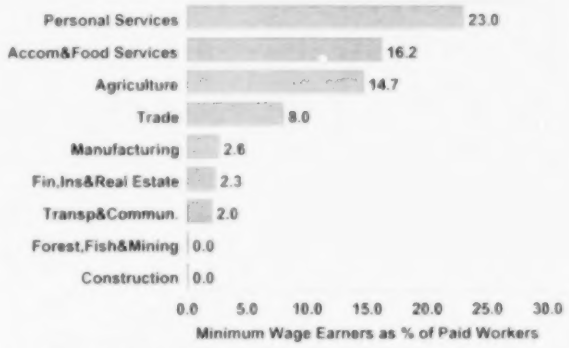
earners as employees often do not stay long enough to receive pay raises.

As the following chart illustrates, the four industries that are most inclined to employ minimum wage earners are the sectors that have many temporary and seasonal jobs as well as low unionization. At the other extreme, virtually no employees receive minimum wage in the highly unionized sectors of Forestry, Mining and Construction.

Industries with High Turnover are the Ones Most Likely to Pay Minimum Wage*



*Wage includes tips and commissions

Feature articles from previous *Earnings and Employment Trends*

TITLES OF PREVIOUS ISSUES	ISSUE NUMBER
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BC at a glance . . .

POPULATION (thousands)	Jan 1/99	% change on one year ago
BC	4,021.4	0.7
Canada	30,418.1	0.9
GDP and INCOME		
(BC - at market prices)	1997	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	109,347	3.3
GDP *($ 1992 millions)*	98,201	2.2
GDP *($ 1992 per Capita)*	24,775	0.1
Personal Disposable Income *($ 1992 per Capita)*	16,340	-2.3
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Mar	2,999	6.4
Merchandise Exports (raw) Mar	2,349	10.6
Retail Sales (seasonally adjusted) Mar	2,748	0.6
CONSUMER PRICE INDEX		
(all items - 1992=100)	Apr '99	% change on one year ago
BC	111.0	1.1
Canada	110.1	1.7
LABOUR FORCE (thousands)		
(seasonally adjusted)	Apr '99	% change on one year ago
Labour Force - BC	2,090	2.6
Employed - BC	1,906	3.1
Unemployed - BC	184	-2.3
		Apr '98
Unemployment Rate - BC *(percent)*	8.8	9.2
Unemployment Rate - Canada *(percent)*	8.3	8.4
INTEREST RATES (percent)	May 19/99	May 20/98
Prime Business Rate	6.25	6.50
Conventional Mortgages - 1 year	6.20	6.55
- 5 year	7.15	6.95
US/CANADA EXCHANGE RATE	May 19/99	May 20/98
(avg. noon spot rate) Cdn $	1.4659	1.4498
US $ *(reciprocal of the closing rate)*	0.6811	0.6904
AVERAGE WEEKLY EARNINGS		
(industrial aggregate - dollars)	Feb '99	% change on one year ago
BC	617.70	0.9
Canada	607.63	0.2

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Earnings } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

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Released this week by BC STATS

- Tourism Room Revenue, January 1999

Next week

- Consumer Price Index, April 1999
- Tourism Room Revenue, Annual 1998
- Earnings & Employment Trends, February 1999

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